

TAX LEVY FAQ

The following responses to frequently asked questions regarding the levy process are provided to assist in understanding how the levy process works and its importance.

- 1. What is a Levy?** The amount of money a school district requests from property tax.
- 2. What is EAV?** EAV refers to the Equalized Assessed Value of properties as determined by the local and county assessors and used for determining and allocating the extended property taxes.
- 3. What is CPI?** The Consumer Price Index (CPI) is an index published by the federal government as a measure, per state school code, of annual inflationary impact on a district. The CPI factor used for computing the amount of property taxes and related revenue for the district is the rate fixed at the beginning of the tax year, not the end of the tax year. Due to "Tax Cap" legislation, the CPI percentage increase cannot exceed 5% in any year.
- 4. What is New Property?** New Property is property within the district boundaries that has been newly developed and initially assessed during the tax year
- 5. What is an extension?** The total extension is the product of the district's EAV multiplied by a calculated tax rate and is equal to the total property tax billings on the district's behalf. The County Clerk calculates the tax rate needed to raise the revenue (Levy) certified by each school district in the County.
- 6. What is The Truth In Taxation Act?** Legislation that provides procedures for public Notice and Public Hearings on Tax Increase requests greater than 105% of the prior year's extension.
- 7. What is The Property Tax Extension Limitation Law?** The Property Tax Extension Limitation Law, commonly referred to as "TAX CAP," limits the increase in property Tax Extensions to 5% or the Consumer Price Index (CPI), whichever is less, not counting new construction or Bond & Interest Obligations.
- 8. Why is the District proposing a levy which is higher than the limits of the Property Tax Extension Limitation Law?** Under the Property Tax Extension Limitation Law if districts under levy, it is impossible to recapture the lost revenues. As of the time when the Levy is required to be submitted, three very important facts are unknown to the School District: 1) The tax rate determined by the county assessor 2) The New Construction in the district (EAV) 3) Total EAV within the district boundaries
- 9. Do most districts levy for more than expected in their initial request?** Yes. In Lake County and throughout the Greater Chicago Suburban area for the same reason stated above. Lake County districts do not know the "New Rate," "New Construction EAV," or "Total EAV" at the time they must approve the levy.

10. Will my taxes go up by the same percentage that the levy increases? No; without consideration of exemptions, changes in EAV, property tax for existing taxpayers would increase by the CPI for the year. However, based on your EAV for the year in relation to total EAV of the community, you may receive an additional tax increase or decrease depending on how your EAV percentage relationship to the total EAV changed between years.

11. Why doesn't the School District lower its Levy? The District's mission is to provide a level of education for its students that parents and the community expect. A significant cost of delivering quality education relates to salaries and benefits; typically over 60% of the annual operating costs of the District. These costs are generally determined by collective bargaining agreements contracts or employee contracts. Once the bargaining process is completed, the costs become current and future financial commitments not subject to adjustment. Adjustments can only be made at the time of bargaining and before agreements are signed. The federal and state governments also mandate several operational costs for public schools that they do not fund; these also represent fixed financial commitments. The ability to agree to and meet these commitments is in large measure based on having future property tax revenues available to pay for them. If property tax revenues which typically represent over 60% of District revenues are not available the financial commitments would not be met. Accordingly the District strives to obtain the property tax revenues that are statutorily available. Within this context, if the District did not seek its available levy increase,

- The District would be penalized under the Tax Cap for future years.
- Any reduction in the request for tax amounts statutorily permitted will represent lost annual revenue forever.
- The Levy provides funding for the District's primary mission to provide quality education and meet related operational needs and commitments, primarily labor contracts.
- The effect of current economic conditions is adjusted through the CPI factor used for the following tax year.

12. Why is the anticipated Levy for this year higher than normal and beyond the CPI? Higher CPI and new construction growth (adding to the EAV) determine the Levy request. If the new EAV number is not captured when it is first logged in the county assessor's books, it cannot be accessed in future years. Unlike "home rule" municipalities, a district cannot forfeit or hold its rate flat or negative one year and retrieve the relinquished dollars the next. A school can only build off of the previous tax year EAV and dollar number. This is the law under the "TAX CAP."

13. Why doesn't the School District use its fund balance? Although it may seem as the District has some fund balance in its major funds, the funds are needed for cash flow purposes during the duration of a school year. They also enable the District to help ensure that it can maintain its current level of programming that the students and community expect. In addition, a fund balance reserve enables the District to handle an emergency, such as installing a new boiler in the middle of winter or temporarily closing school because of unanticipated but necessary infrastructure repairs or other operational reasons. The reserve can also be used to fund significant capital and maintenance needs facing the District. A fund balance postpones the need to ask the community for an increase via a referendum or issue a short-term debt such as

tax warrants to fulfill payment obligations. Since the start of the current economic recession the District has used a portion of its fund balance reserves to address the above financial needs including meeting the costs of contractual commitments and construction projects.

14. How can a Bond Fund levy request decline between years? The number of bonds outstanding, interest rates, and repayment schedules cause the District's annual bond levy to vary year over year as bond principal and interest payments are made according to payment schedules established at the time the bonds are issued. Historically the District has restructured its bonded indebtedness to take advantage of lower interest rates. The goal of such restructuring is to reduce annual bond payments and/or repayment schedule length as in 2010, and ultimately provide tax relief to District property owners. Most recently, the District timed its 2020 restructuring to reduce the District's tax rate by ~25 points to coincide with the ~40 point increase approved by voters for the Hononegah Field House. While the reduction most likely went unnoticed since tax bills increased, the impact on our property owners was lessened by our efforts.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Assessed Valuations, Tax Rates and Extensions (Unaudited)

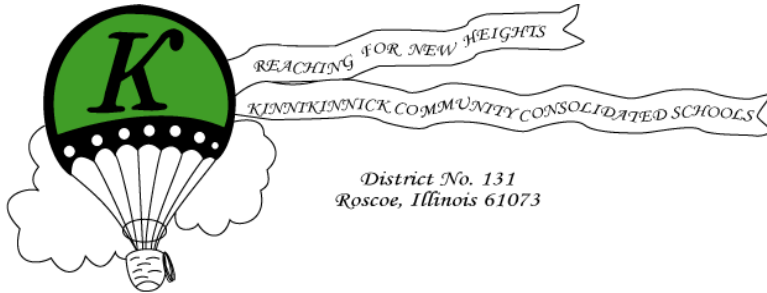
<u>Year Ended June 30,</u>	<u>Levy Year</u>	<u>Assessed Valuation</u>	<u>Total Tax Rate</u>	<u>Taxes Extended</u>
2017	2015	\$ 295,639,692	4.07290	\$ 12,041,112
2018	2016	301,347,404	4.27030	12,868,437
2019	2017	305,250,241	4.28960	13,094,014
2020	2018	315,204,742	4.25130	13,400,299
2021	2019	328,219,782	4.07610	13,378,567
2022	2020	342,990,609	3.99810	13,713,107
2023	2021	347,548,606	3.93330	14,063,459
2024	2022	381,845,236	3.86860	14,772,064
2025	2023	419,816,425	3.72320	15,630,605
2026	2024	469,241,351	3.75080	17,600,306

2025 Property Tax Levy

For tax-capped districts, P.A. 94-976 eliminated referendum-approved tax rate ceilings on individual operating funds. Previously approved referendum limits on individual operating fund tax rates no longer control. Rather, the only ceiling on a particular tax rate is that set by statute above which the rate is not permitted to increase. The total aggregate tax rate for operating purposes may not, however, exceed the taxing district's limiting rate computed in accordance with the Property Tax Extension Limitation Law, which limits the increase in property tax extensions in Winnebago County to 5% or the percent increase in the Consumer Price Index, whichever is less. **The limitation for the 2025 levy is 2.9%.**

Tax Rate Per \$100 of Equalized Assessed Valuation

	Max/Rate Ceiling
<u>Corporate/Special Purpose Levy</u>	
Education	No Rate Limit
Operations & Maintenance	0.55%
Transportation	No Rate Limit
Municipal Retirement/ Social Security	No Rate Limit
Tort Immunity	No Rate Limit
Working Cash	0.05%
Special Education	0.40%
Facility/Technology Leasing	0.10%
<u>Bond/Interest Levy</u>	
2020A GO Refunding Bonds	No Rate Limit
2023 GO Limited Bonds	No Rate Limit



District No. 131
Roscoe, Illinois 61073

October 22, 2025

Beloit Daily News
444 E. Grand Ave, Ste 102
Beloit, WI 53511

To Whom It May Concern:

Pursuant to the Truth in Taxation Act please publish the enclosed notice in *The Beloit Daily News* on Monday, November 10, 2025. The notice shall be no less than one-eighth page in size, and the smallest type shall be a 12 point and shall be enclosed in a black border no less than one-fourth inch wide. The notice shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear. Since the notice must be published no more than 14 days nor less than seven days prior to the date of the public hearing, the publication date of this notice is very important. Please advise me if the notice cannot be published on this date.

Sincerely,

Keli Freedlund
Superintendent

Enclosure

Notice of Proposed Property Tax Increase
for Kinnikinnick CCSD No. 131

- I. A public hearing to approve a proposed property tax levy increase for Kinnikinnick Community Consolidated School District No. 131 for 2024 will be held on November 18, 2025 at 7:00 P.M. at the Kinnikinnick School Library, 5410 Pine Lane, Roscoe, Illinois 61073.

Any person desiring to appear at the public hearing and present testimony to the taxing district may contact Keli Freedlund, Superintendent, 5410 Pine Lane, Roscoe, Illinois 61073, 815-623-2837.

- II. The corporate and special purpose property taxes extended or abated for 2024 were \$15,623,391.

The proposed corporate and special purpose property taxes to be levied for 2025 are \$16,140,829. This represents a 3.3119 percentage increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2024 were \$1,976,914.

The estimated property taxes to be levied for debt service and public building commission leases for 2025 are \$2,016,209. This represents a 1.9877 percentage decrease over the previous year.

- IV. The total property taxes extended or abated for 2024 were \$17,600,305.

The estimated total property taxes to be levied for 2025 are \$18,157,038. This represents a 3.1632 percentage increase over the previous year.